

February 19, 1997

MEMORANDUM TO:       Distribution

FROM:                   Michael J. Rubino, Associate Director  
                              Acquisition Services Branch

SUBJECT:                Policy Memorandum No. 97-002, Use of Payment  
                              Authorization Vouchers for Rent Payments and Payments  
                              to FDIC Lessors for Lease Related Expenses

1.     Purpose. The purpose of Policy Memorandum No. 97-002 is to supplement the policies and procedures stated in the Acquisition Policy Manual (APM) regarding the use of Payment Authorization Vouchers (PAVs) for FDIC building lease payments and other related expenses that are authorized or provided for under the terms of the lease.
2.     Reference. APM 9.B.3, *Use of Payment Authorization Vouchers*, page 9-3.
3.     Scope. This Policy Memorandum is applicable to all Contracting Officers and other Acquisition Services Branch personnel involved in awarding contracts and purchase orders for the operation and maintenance of FDIC offices. It is also applicable to all Corporate Services Branch personnel involved in providing goods/services which are associated with the day to day operation of FDIC leased space. It represents a formal revision to the APM and will be formally incorporated therein at a later date.
4.     Background. The APM states that only Warranted Contracting Officers are authorized to enter into contracts for goods and services on behalf of the Corporation. However, the APM also recognizes that there are certain circumstances where goods and services are provided to the Corporation through its normal course of business that are not procured by a Warranted Contracting Officer. These are considered as nonprocurement related expenses and include but are not limited to expenses for utilities, postage, and real property taxes.

The list of corporate expenses that can be paid with a PAV is provided in APM 9.B.3.a. and b. The goods and services specified therein may be acquired without the involvement of a Contracting Officer. For these items, competitive/noncompetitive contracting procedures specified in the APM do not apply. However, it is still the Program Office's responsibility to obtain expenditure authority for these types of expenses in accordance with the Expenditure Delegations for Contracts, Leases, Legal Services and Non-Procurement Related Expenses (Expenditure Delegations).

5. APM Change. In accordance with the foregoing, it has been determined that the list of goods and services specified in the APM that can be paid using a PAV needs to be modified. Therefore, the APM is hereby changed to add the following to the list of *Non-Procurement Administrative-Related Expenses* in APM 9.B.3.a.:

“(12) **Rent Payments.** Payments of rent, including operating expense and tax pass throughs, as set forth in FDIC leases.

(13) **Payments to Lessors for Lease Related Expenses.** Payments to lessors for expenses other than those provided for in item (12) above, that are either stipulated in or provided for under the lease. Such goods and services shall be provided by or through the lessor and shall be associated with the day to day operation of FDIC leased space. The following is a non-exclusive listing of examples of goods and services covered by this item: after hours HVAC; added janitorial and trash removal; miscellaneous HVAC, mechanical, plumbing and electrical services (including replacement of light bulbs and tubes); repairs to appliances affixed to the leased premises; additional pest control services; and miscellaneous carpentry, painting and repairs.”

6. Contracting Authority. **Goods and services that are not stipulated or provided for under the terms of the lease, as described in APM 9.B.3.a.(12) or (13), shall be procured by Warranted Contracting Officers pursuant to the policies and procedures stated in the APM.** In these cases, PAVs shall not be used to pay these expenses.

7. Effective Date. This Policy Memorandum is effective immediately.

8. Contacts. If you have any questions regarding this Policy Memorandum, please call Dave McDermott on (202) 942-3434.

cc: Jane Sartori  
John Lynn  
James Watkins  
DOA Regional Managers

Distribution: Debbie Reilly  
Dave McDermott  
Paul Wright  
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